

§ 1710.100

the amendment becomes effective if the Secretary has reasonable grounds to believe that such action is necessary or appropriate in the public interest or for the protection of purchasers. In accordance with the procedure described in §1720.235, a hearing may be requested.

(4) Suspension orders issued pursuant to this subsection shall operate to suspend the Statement of Record as of the date the order is either served on the developer or its registered agent or is delivered by certified or registered mail to the address of the developer or its authorized agent.

(Pub. L. 90-448, 82 Stat. 476, 590; 15 U.S.C. 1701 *et seq.*)

[44 FR 21453, Apr. 10, 1979]

Subpart B—Reporting Requirements

AUTHORITY: Pub. L. 90-448, 82 Stat. 476, 590; 15 U.S.C. 1701 *et seq.*, unless otherwise noted.

SOURCE: 44 FR 21453, Apr. 10, 1979, unless otherwise noted.

§ 1710.100 Statement of Record—format.

(a) The Statement of Record consists of two portions; the Property Report portion and the Additional Information and Documentation portion.

(b) General format. The Statement of Record shall be prepared in accordance with the following format:

PROPERTY REPORT

Heading and Section Number

Cover Sheet	1710.105
Table of Contents	1710.106
Risks of Buying Land, Warnings	1710.107
General Information	1710.108
Title and Land Use	1710.109
(a) General Instructions	
(b) Method of Sale	
(c) Encumbrances, Mortgages and Liens	
(d) Recording the Contract and Deed	
(e) Payments	
(f) Restrictions	
(g) Plats, Zoning, Surveying, Permits, Environment	
Roads	1710.110
Utilities	1710.111
(a) Water	
(b) Sewer	
(c) Electricity	
(d) Telephone	

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(e) Fuel or other Energy Source	
Financial Information	1710.112
Local Services	1710.113
Recreational Facilities	1710.114
Subdivision Characteristics and Climate	1710.115
(a) General Topography	
(b) Water Coverage	
(c) Drainage and Fill	
(d) Flood Plain	
(e) Flooding and Soil Erosion	
(f) Nuisances	
(g) Hazards	
(h) Climate	
(i) Occupancy	
Additional Information	1710.116
(a) Property Owners' Association	
(b) Taxes	
(c) Violations and Litigation	
(d) Resale or Exchange Program	
(e) Unusual Situations	
1. Leases	
2. Foreign Subdivision	
3. Time Sharing	
4. Membership	
(f) Equal Opportunity in Lot Sales	
(g) Listing of lots	
Cost Sheet	1710.117
Receipt, Agent Certification and Cancellation Page	1710.118

ADDITIONAL INFORMATION AND DOCUMENTATION

General Information	1710.208
Title and Land Use	1710.209
Roads	1710.210
Utilities	1710.211
Financial Information	1710.212
Recreational Facilities	1710.214
Subdivision Characteristics	1710.215
Additional Information	1710.216
Affirmation	1710.219

(Approved by the Office of Management and Budget under control number 2502-0243)

[44 FR 21453, Apr. 10, 1979, as amended at 49 FR 31370, Aug. 6, 1984; 49 FR 33644, Aug. 24, 1984]

§ 1710.102 General instructions for completing the Statement of Record.

(a) *Paper and type.* The Statement of Record shall be on good quality, unglazed white or pastel paper. Letter size paper, approximately 8 x 11 inches in size, will be used for the Property Report portion and legal size paper, approximately 8½ x 14 inches in size, will be used for the Additional Information and Documentation portion. Side margins shall be no less than 1 inch and no greater than 1½ inches. Top and bottom margins shall be no less than 1

inch. In the preparation of the charts to be included in the Property Report, the developer may vary from the above margin requirements or print the charts lengthwise on the required size paper if such measures are necessary to make the charts readable. The Statement of Record shall be prepared in an easily readable style of elite or pica or similar type of uniform font in blue, black or blueblack ink.

(b) *Numbering and dating.* Each page of the Statement of Record as submitted to OILSR shall be numbered and shall include the date of typing or preparation in the lower right hand corner, except in the final printed version of the Property Report portion.

(c) *Signing.* The Statement of Record shall be signed by the senior executive officer of the developer or a designated agent.

(d) *Printing.* The Statement of Record and, insofar as practical, all papers and documents filed as a part thereof, shall be printed, lithographed, photocopied, typewritten or prepared by any similar process which, in the opinion of the Secretary, produces copies suitable for a permanent record. Irrespective of the process used, all copies of any such materials shall be clear and easily readable.

(e) *Headings, subheadings, captions, introductory paragraphs, warnings.* Property Report subject "headings" are those descriptive introductory words which appear immediately after section numbers 1710.106 through 1710.116 (e.g. §1710.108 has "General Information" and §1710.111 has "Utilities"). Each such heading shall be printed in the Property Report in underlined capital letters and centered at the top of a new page. Section numbers shall not be printed in the Property Report. Property Report subheadings are those descriptive introductory words which appear in italics in the regulations at the beginning of paragraphs designated by paragraph letters (a), (b), (c) etc. An

example of a subheading is "water" found immediately after the paragraph letter (a) in §1710.111. These subheadings will be printed in the Property Report only if they are relevant to the subject subdivision. If printed these subheadings shall be capitalized and shall begin at the left hand margin of the page. Property Report "captions" are those descriptive introductory words which appear in italics in the Regulations at the beginning of subparagraphs designated by numbers (1), (2), (3), etc. An example of such captions is "Sales Contract and Delivery of Deed" found immediately after the subparagraph number "(1)" in §1710.109 (b). These captions are to be printed in the Property Report only if they are applicable to the subject subdivision. If printed, these captions shall be centered on the page from the side margins, and shall have only the first letter of each word capitalized. Headings and subheadings will be used in the Property Report in accordance with the sample page appearing in §1710.102. Introductory paragraphs will follow headings if they are applicable and necessary for a readable entry into the subject matters, but note, the introductory paragraphs for "Title to the Property and Land Use" are to be used in every case as provided in §1710.109(a)(1). Subheadings and captions which do not apply to the subdivision should be omitted from the Property Report portion and answered "not applicable" in the Additional Information and Documentation portion, unless specifically required to be included elsewhere in these instructions. Warnings shall be printed substantially as they appear in the instructions in §§1710.105 through 1710.118. They shall be printed in capital letters and enclosed in a box as shown on the sample page in §1710.102. The paragraphs in the Property Report portion need not be numbered.

SAMPLE PAGE

ROADS

Here we discuss the roads that lead to the subdivision, those within the subdivision and the location of nearby communities.

ACCESS TO THE SUBDIVISION.

County road #43 leads to the subdivision. It has two lanes and the width of the wearing surface is 22 feet. It's paved with a macadam surface.

This road is maintained by Bottineau County with County funds. No improvements are planned at this time.

ACCESS WITHIN THE SUBDIVISION.

The roads within the subdivision will be located on rights of way dedicated to the public.

We are responsible for constructing the interior roads. There will be no additional cost to you for this construction.

WE HAVE NOT SET ASIDE ANY FUNDS IN AN ESCROW OR TRUST ACCOUNT OR MADE ANY OTHER FINANCIAL ARRANGEMENTS TO ASSURE COMPLETION OF THE ROADS, SO THERE IS NO ASSURANCE WE WILL BE ABLE TO COMPLETE THE ROADS.

At present, the roads are under construction and do not provide access to the lots in Units 2 and 3 during wet weather. The succeeding chart describes their present condition and estimated completion dates.

Unit	Estimated starting date (month and year)	Percent- age of construc- tion now complete	Estimated completion date (month and year)	Present surface	Final surface
1	February 1979	50	December 1979	Gravel	Asphalt.
2	August 1979	0	June 1980	Dirt	Do.
3	April 1980	0	October 1980	None	Do.

(f) *Language style.* All information given in the Property Report portion shall be stated in narrative form using plain, concise, everyday language which can be readily understood by purchasers who are unfamiliar with

real estate transactions. Excessively long paragraphs should be avoided. Keep them as brief as possible. Use separate paragraphs for different points discussed. Disclose all pertinent facts. Potential consequences to a purchaser

must be made clear even though not specifically asked for in the format and the instructions. In the Property Report the pronouns "you" and "your" shall generally be used in referring to the prospective purchaser and the pronouns "we", "us", and "our" shall generally be used in referring to the developer. The Secretary specifically reserves the right to require modification of the text when the narrative does not meet the standards of this section.

(g) *Format of the Additional Information and Documentation portion of the Statement of Record.* The supporting information and documentation required by these regulations shall be identified by affixing a tab on the right side of the cover sheet of the required information or documentation and by identifying on the tab the section number of the Statement of Record instructions to which the information or documentation corresponds. This information or documentation shall then be placed immediately after the page(s) on which the section number and answers for that section appear. If the data in a document is applicable to more than one section of instructions, the developer may substitute as a document in the second case a statement incorporating the earlier document by reference. Deeds, title policies, subdivision plats or maps and other documentary information required to be contained in the Additional Information and Documentation portion of the Statement of Record need not be on the same size paper as the Statement of Record but, if larger, shall be folded to a size no larger than $8\frac{1}{2} \times 14$ inches. Supporting documents shall be inserted into the binding in such a manner as to permit them to be examined without the necessity of removing them from the binding. This may be accomplished by proper folding or through the use of envelopes.

(h) *Binding.* The Statement of Record shall be bound with the Property Report portion on top, including any documents which may be required to be attached when delivered to the purchaser, followed by the Additional Information and Documentation portion.

(i) *Advertising and promotional material.* No advertising, or promotional material or statements which are self-

serving on behalf of the developer or owner may be included in the Statement of Record or resulting Property Report.

(j) *Additional information.* (1) In addition to the information expressly required to be stated in the Statement of Record, there shall be added, and the Secretary may require, such further material information, documentation and certification as may be necessary in the public interest and for the protection of purchasers or necessary in order to make the statements not misleading in the light of circumstances under which they are made.

(2) The instructions are not all inclusive. The developer shall include any other facts which would have a bearing upon the use by the purchaser of any of the facilities, services or amenities; which would cause or result in additional expenses to the purchaser; which would have an effect upon the use and enjoyment of the lot by the purchaser for the purpose for which it is sold or which would adversely affect the value of the lot.

(k) *Modification of format or content.* The Secretary may require or permit modification to the content and format of the Property Report to include additional information, to modify or omit required information, or to change the sequence or position of information when such changes are deemed to be in the public interest or for the protection of purchasers.

(l) *Required documentation.* Where the documentation required by the Statement of Record cannot be obtained, the Secretary may permit the best available alternative documentation to be substituted.

(m) *Final version of property report.* On the date that a Statement of Record becomes effective, the Property Report portion shall become the Property Report for the subject subdivision. The version of the Property Report delivered to prospective lot purchasers shall be verbatim to that found effective by the Secretary and shall have no covers, pictures, emblems, logograms or identifying insignia other than as required by these regulations. It shall meet the same standards as to grade of paper, type size, margins, style and color of

print as those set herein for the Statement of Record, except where required otherwise by these regulations. However, the date of typing or preparation of the pages and the OILSR number shall not appear in the final version. If the final version of the Property Report is commercially printed, or photocopied by a process which results in a commercial printing quality, and is bound on the left side, both sides of the pages may be used for printed material. If it is typed or photocopied by a process which does not result in a clear and legible product on both sides of the page or is bound at the top, printing shall be done on only one side of the page. Three copies of the final version of the Property Report, in the exact form in which it is delivered to prospective lot purchasers, shall be sent to this Office within 20 days of the date on which the Statement of Record, amendment, or consolidation is allowed to become effective by the Secretary. If a Property Report in a foreign language is used as required by § 1715.25(g), three copies of that Property Report together with copies of the translated documents shall be furnished the Secretary within 20 days of the date on which the advertising is first used. A Property Report prepared pursuant to these regulations shall not be distributed to potential lot purchasers until after the Statement of Record of which it is a part or any amendment to that Statement of Record has been made effective by the Secretary.

(Approved by the Office of Management and Budget under control number 2502-0243)

[44 FR 21453, Apr. 10, 1979, as amended at 45 FR 40488, June 13, 1980; 49 FR 31370, Aug. 6, 1984; 49 FR 33644, Aug. 24, 1984]

§ 1710.103 Developer obligated improvements.

(a) If the developer represents either orally or in writing that it will provide or complete roads or facilities for water, sewer, gas, electricity or recreational amenities, it must be contractually obligated to do so (see § 1715.15(f)), and the obligation shall be clearly stated in the Property Report. While the developer may disclose relevant facts about completion, the obligation to complete cannot be condi-

tioned, other than as provided for in § 1715.15(f), and an estimated completion date (month and year) must be stated in the Property Report. However, a developer that has only tentative plans to complete may so state in the Property Report, provided that the statement clearly identifies conditions to which the completion of the facilities are subject and states that there are no guarantees the facilities will be completed.

(b) If a party other than the developer is responsible for providing or completing roads or facilities for water, sewer, gas, electricity or recreational amenities, that entity shall be clearly identified in the Property Report under the categories described in § 1710.110, § 1710.111 or § 1710.114, as applicable. A statement shall be included in the proper section of the Property Report that the developer is not responsible for providing or completing the facility or amenity and can give no assurance that it will be completed or available for use.

[49 FR 31370, Aug. 6, 1984]

§ 1710.105 Cover page.

The cover page of the Property Report shall be prepared in accordance with the following directions:

(a) The margins shall be at least 1 inch.

(b) The next 3 inches shall contain a warning, centered, in ½ inch capital letters in red type with ¼ inch space between the lines which reads as follows:

READ THIS PROPERTY REPORT BEFORE
SIGNING ANYTHING

(c) The remainder of the page shall contain the following paragraphs beginning ¼ inch below the last line of the warning:

This Report is prepared and issued by the developer of this subdivision. It is *not* prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract or agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the